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# Thinking Of Retiring? Consider Your Options.

## What You Need To Consider

As you approach the age when you can receive Social Security retirement benefits, you have options to consider and decisions to make. Before making your retirement decision, we hope you will consider all the options.

There are important questions you need to ask yourself. At what age do you want to begin receiving benefits? Do you want to stop working and receive benefits? Do you want to work and receive benefits at the same time? Or do you want to work beyond your full retirement age and delay receiving benefits?

When you continue working beyond full retirement age, your benefit may increase because of your additional earnings. If you delay receiving benefits, your benefit will

increase because of the special credits you will receive for delaying your retirement. This increased benefit could be important to you later in your life. It also could increase the future benefit amounts your family and survivors could receive.

Each person's retirement situation is different. It depends on circumstances such as health, financial needs and obligations, family responsibilities, amount of income from work and other sources. It also may depend on the amount of your Social Security benefit.

We hope the following information will help you make your retirement decision.

## About The Options

**Retiring At Full Retirement Age**—To retire, you must have earned 40 credits. See the table below to determine your full retirement age.

<i>Year of birth*</i>	<i>Full retirement age</i>
1937 (or earlier)	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960	67

\*Refer to the previous year if you were born on January 1.

**Retiring Early**—If you've earned 40 credits, you can start receiving Social Security benefits at 62 or at any month between 62 and full retirement age. However, your benefits will be permanently reduced based on the number of months you receive benefits before you reach full retirement age. If you retire before your full retirement age of 65, your benefits will be reduced:

20 percent at age 62;  
13 ⅓ percent at age 63; or  
6 ⅔ percent at age 64.

If your full retirement age is 66, they will be reduced:

25 percent at age 62;  
20 percent at age 63;  
13 ⅓ percent at age 64; or  
6 ⅔ percent at age 65.

**Receiving Retirement Benefits While You Work**—You can work while receiving monthly benefits. And it could mean a higher benefit that can be important to you later in your life and increase the future benefits your family and survivors could receive.

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We'll review your record each year to see whether the additional earnings will increase your monthly benefit. If there's an increase, we'll send you a notice of your new benefit amount. Earnings in or after the month you reach full retirement age won't reduce your Social Security benefits. However, if you receive benefits before reaching your full retirement age, your benefit amount will be reduced.

- In the year you reach full retirement age, \$1 in benefits will be deducted for each \$3 you earn above the annual limit (\$31,080 in 2004) until the month you reach full retirement age. After that, ***your benefits will not be reduced, no matter how much you earn.***
- In the years before you reach full retirement age, \$1 in benefits will be deducted for each \$2 you earn above the limit (\$11,640 in 2004).

If you lose benefits because of work, your benefit will be increased later to account for the months you didn't receive a benefit before reaching full retirement age.

***Delaying Retirement***—You may decide to continue working beyond your full retirement age without choosing to receive benefits. If so, your benefit will be increased by a certain percentage for each month you don't receive benefits between your full retirement age and age 70. This table shows the rate your benefits increase if you delay retiring.

<i><b>Year of birth</b></i>	<i><b>Yearly Increase Rate</b></i>
1933 - 1934	5.5%
1935 - 1936	6%
1937 - 1938	6.5%
1939 - 1940	7%
1941 - 1942	7.5%
1943-or later	8%

***Applying For Social Security Retirement Benefits And Medicare***—It's best to contact Social Security three months before the month in which you want to file for retirement benefits to discuss the options that are available to you. In some cases, your choice of retirement month could mean additional benefits for you and your family.

Even if you don't plan to receive benefits because you'll continue working, you should sign up for Medicare three months before reaching age 65 regardless of when you reach full retirement age. Otherwise, your Medicare

medical insurance (Part B) could be delayed and you could be charged a higher premium.

***How to Apply for Retirement Benefits***—You can file your retirement claim on the Internet at [www.socialsecurity.gov/planners](http://www.socialsecurity.gov/planners) or by calling **1-800-772-1213** between 7 a.m. and 7 p.m. Monday through Friday.

Be sure to have these items handy: your Social Security number, birth certificate, W-2 forms or self-employment tax return for last year, and your bank name and account number so your benefits can be deposited directly into your account. You also can file your claim at any Social Security office.

If you're deaf or hard of hearing, call **1-800-325-0778** between 7 a.m. and 7 p.m. Monday through Friday to file your claim.

In addition to the information listed above, you will need—

- Your military discharge papers if you had military service;
- Your spouse's birth certificate and Social Security number and your marriage certificate if he or she is applying for benefits; and
- Proof of U.S. citizenship or lawful alien status if you were not born in the U.S.

You will need to mail or deliver original documents or copies that have been certified by the issuing office to a Social Security office.

***Need More Information***—You also have options for getting information about Social Security and retirement. When you visit our website, [www.socialsecurity.gov](http://www.socialsecurity.gov), click on the Benefits Planners to estimate your Social Security benefits, find answers to frequently asked questions about Social Security, learn about factors that could affect your benefits and much more. And you can get information about Social Security by visiting a local Social Security office or by calling **1-800-772-1213**.

You can print these publications from our website.

- ***Retirement*** (Publication No. 05-10035);
  - ***How Your Retirement Benefit is Figured*** (Publication No. 05-10070); and
  - ***How Work Affects Your Benefits*** (Publication No. 05-10069).
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